

Howard forgot to govern for individuals

Christian Kerr

Margaret Thatcher has been vilified time and time again for her comment ‘There is no such thing as society’, yet it is a statement of the obvious.

There is no one great mass in politics. There are competing interest groups with which individuals identify themselves—but individuals are the building blocks. John Howard forgot this. That is why he is no longer prime minister.

Jargon-obsessed academics have called the Howard government ‘neo-liberal’. This, however, is nonsense. John Howard made no secret of his social conservatism. Under the Coalition government, social conservatism tended to translate into populism.

Populists don’t like individuals. They like cohorts. John Howard didn’t do enough to offer individuals greater freedom. He didn’t sufficiently trust Australians with their own money. Taxpayers’ money was given as bribes to key demographics.

If John Howard had given Australians liberty—the freedom to do what we want with the money we earn—the Coalition could have legitimately claimed that Labor technocrats posed a threat. But what the public saw from the Coalition after eleven years was handout after handout that stretched voters credulity and destroyed the government’s reputation in the process.

Howard forgot about individuals, then compounded his error in the campaign. The slogan ‘Go for growth’ was conspicuously related only to the economy. All year, the government was unable to relate its message to individuals and their personal circumstances.

John Howard lost the 2007 federal election because he is a social conservative and populist, not a liberal.

The victors write history, particularly the quickie

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histories that appear in the aftermath of election campaigns. Former Labor Senator Stephen Looseley's assessment—that Kevin Rudd's decision at his campaign launch to stop matching Howard's spending promises marked the turning point of the campaign—now reads as writ.

But the truth is that Howard stopped getting through to voters long before. It should have been obvious when only the barest 'budget bounce' appeared in May.

'Mr Howard has developed a devastating politics of the surplus, which he has used to great advantage to deliver targeted spending and tax cuts at successive elections', *The Australian* editorialised just days before the poll. The politics were devastating, but lazy. Howard simply let the billions roll in from the GST and the mining boom and used them to buy off voters.

This worked well enough from 2001 but, as *The Australian* also observed, 'The limits of this tactic have become apparent in the course of the campaign as key voters in marginal electorates have started to take both the tax cuts and the handouts for granted.'

The limits of the tactic should have been clear to the government in June, in the aftermath of the federal budget. On 8 May, Howard gave away more than \$31 billion in tax cuts. The polls barely moved.

On the first full day of the election campaign he tried the tactic again, announcing a further \$34 billion in tax cuts. Again, the polls did not respond.

In his campaign launch speech on 12 November, Howard promised a further \$9.5 billion in targeted spending. By this stage, his election promises added up to \$65 billion. All that money made not a jot of difference.

Again, *The Australian's* leader-writers captured the issue. 'The contradiction in Howard's prime ministership has become too obvious', they wrote. 'Howard delivers opportunity through a big spending conservatism and publicly funded tax breaks rather than via genuine liberalism.'

That contradiction might have been too subtle for average voters, but they had noticed another inconsistency in Howard's message. The Reserve Bank raised interest rates at its Board meeting on 6 November, the week before Howard's launch. Hours before his campaign launch it issued a warning against further government spending.

The interest rate rise had already damaged Howard's economic credentials. Now, he appeared to be ignoring the Reserve Bank's advice. For months the government had been accus-

ing Labor leader Kevin Rudd of me-tooism. Now was Labor's chance to act—or not to.

Rudd had matched the tax cuts at the start of the campaign. Now, he pointedly did not match Howard's spending:

Remarkably as interest rates rose yet again last week, we now find Mr Howard running up the white flag on inflation, and running up a huge bill in a desperate bid to get re-elected, A bill he is happy to leave for us all to pay—once he heads off into retirement. Monday's feeding frenzy of expenditure would actually make inflationary pressures worse.

Mr Howard spent nearly \$10 billion on Monday. Trying to buy his way out of political trouble. And he did so little more than an hour after the Reserve Bank of Australia issued its monetary policy statement warning of rising inflationary pressures. How irresponsible can you get? ...with this latest irresponsible and desperate pre-election splurge, Mr Howard is putting his own interests ahead of working families by risking further increases in their mortgage rates.

I have no intention today of repeating Mr Howard's irresponsible spending spree.

In the closing days of the campaign, Rudd promised to take a 'meat axe' to the Commonwealth bureaucracy, despite flagging the creation of dozens of new agencies and statutory bodies and promising at least 119 reviews.

Despite initial reductions to the public service, there are now some 135,000 permanent members of the Commonwealth Public Service—16,000 more than when the Howard government was first elected. There are several thousand more temporary public servants. These numbers have continued to grow so that, despite privatisation and outsourcing, they had surpassed 1996 levels by June 2003.

The Liberal Party has always stood for fiscal rectitude and prudence, yet Howard abandoned this in his quest for re-election. The Liberal Party has always stood for the individual against the state—for liberty—yet the Howard government attempted to stay in power thanks to the gifts of government.

The Howard government didn't demonstrate that it offered ordinary Australians economic liberty. At the end of its term, the Howard government had finally abandoned the best reasons to vote Liberal.

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